

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER RAPER
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DAPHNE HUANG
DEPUTY ATTORNEY GENERAL

DATE: APRIL 3, 2015

SUBJECT: TALK AMERICA'S CPCN APPLICATION, CASE NO. TAL-T-14-01

On September 19, 2014, Talk America Services, LLC (Talk America) applied to the Commission for a Certificate of Public Convenience and Necessity (CPCN) authorizing it to provide resold local exchange and interexchange telecommunications services in Idaho.

THE APPLICATION

Talk America is a Delaware limited liability company, authorized to do business in Idaho. Application at 5, Exhibit C. Its principal place of business is in Little Rock, Arkansas. *Id.* at 5. Talk America is a subsidiary of Communications Sales & Leasing, Inc. (CSL), a Maryland corporation, which is also Talk America's sole member. *Id.* Talk America proposes to "provide resold local exchange, resold interexchange and broadband telecommunications services to residential customers" currently subscribed to Windstream Holdings, Inc. (Windstream). *Id.* at 1-2.

Talk America's Application is part of or related to a corporate transaction involving Windstream and CSL. *Id.* at 1-2. In that transaction, Windstream will divide into an operating unit (providing telecommunications and related services), and a real estate investment trust (holding title to distribution plant assets). *Id.* at 2. The investment trust's assets, which include copper, fiber, and real estate assets, will be transferred to CSL which will then lease the assets back to Windstream on a long-term basis. *Id.* at 2. If the Commission approves Talk America's Application, Windstream intends to "transfer all of [its operating unit's] residential local exchange and long distance customers to [Talk America]." *Id.* at 2.

Talk America seeks authority to provide local exchange services, and intends to provide interexchange services, to and from all points in the State of Idaho. *Id.* at 6. Talk America “will initially only resell the services [offered by Windstream], and in the future will amend its certification if it decides to offer services as a facilities based provider.” *Id.* at 3. Talk America does not intend to construct any new facilities in Idaho at this time. *Id.* Its network “will consist of leased facilities provided by other carriers.” *Id.* Talk America intends to “provide services at the same rates and under the same terms and conditions” as they are currently provided by Windstream. *Id.* at 7, Exhibit E.

Exhibit A to the Application describes Talk America’s management team’s background and experience. Talk America also provided its formation documents. Exhibit B. Talk America also submits financial information in Exhibit D which it asserts is exempt from public disclosure pursuant to Rule 67. IDAPA 31.01.01.067.

Talk America “agrees to comply with all applicable Idaho laws and Commission rules and regulations.” Application at 8, Exhibit F.

STAFF RECOMMENDATION

Staff recommends that the Commission process Talk America’s Application under Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Does the Commission wish to process Talk America’s Application under Modified Procedure with a 21-day comment period?

Daphne Huang
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Deputy Attorney General

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